

Budgetary Pressures and Impacts

Weekly Budget Briefing

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Chief Executive Officer
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| **CEO.**

LA County BUDGET CRISIS IN THE MAKING

Due to the budget cuts approved by the Board, the County's budget is solvent and it will require fiscal discipline to remain that way.

COSTS

KNOWN

FUTURE

POTENTIAL IMPACTS



Federal



Roughly **\$1.2 billion** in Big Bill impacts alone by 2027-28.



Other federal cuts, including additional Medicaid cuts: **+\$800 million.**

Big Bill cuts in health care, nutrition, green resilience.
Possible **facility closure(s)** and potential estimated **5,000 layoffs** in next five years.



AB 218

\$4 billion tentative settlement is just the start.



2,500+ additional cases pending.

3% cuts already imposed; 310 vacant positions eliminated; some programs reduced.



Labor

\$2 billion (\$778 million in NCC) to fund COLAs and bonuses.



34 tables actively negotiating, IHSS negotiations pending: Salary increases remain on the table.

5.5% cuts imposed in Supplemental will cut and close numerous programs to fund COLAs and bonuses; some layoffs anticipated.



Fires

+\$800 million



\$2 billion in costs and lost revenue, including the known \$800 million and fee deferrals.

Urgent need to identify additional revenue sources to support robust recovery.



Probation Receivership

Information Pending

Information Pending

Receiver as proposed would have substantial authority over juvenile halls, including funding decisions.

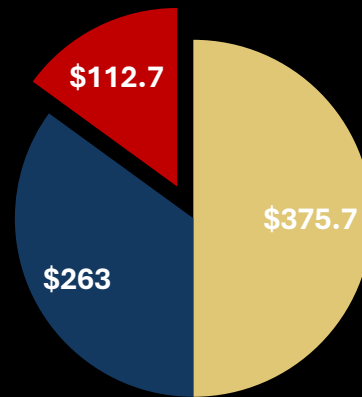
CEO. A Closer Look: Projected Impacts From SNAP/CalFresh Cuts

The federal government's decision to cut their support for SNAP in half—**effective October 1, 2026**—creates a significant funding gap that will affect services.

- **If federal cuts persist, the gaps shown on the right would mean that the County would have to cut the entire CalFresh program by 1/3, the equivalent of 1,089 eligibility workers.**

SNAP/CalFresh currently serves nearly 1.6 million County residents, more than 500,000 of them children.

**Allocation 2025-26
(dollars in millions)**



■ Federal Funding ■ State Funding ■ County Funding

Federal cuts of \$187.9M create major funding gaps:

- **County funding gap = \$56.4M**
 - **State funding gap = \$131.5M**
- **Impact of any potential staff cuts on County recipients is still to be determined.**
 - **Separately, an estimated 113,000 recipients could lose food benefits due to new work requirements.**

LA County **BUDGET CRISIS**

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3% CUTS

To help pay for
AB 218 settlements

Parks & Recreation

- Shorter park hours, reduced swim season, and cutbacks in the Parks After Dark program

Justice, Care & Opportunities

- Ends College and Careers programs at two community colleges, reducing support for justice-involved individuals

5.5% CUTS

To fund cost of negotiated
labor agreements

Parks & Recreation

- Shortens swim season to 10 weeks
- Cancels Parks After Dark summer program
- Closes regional parks and lakes every Monday and Tuesday

Probation

- Closes Santa Monica and Valencia offices, increasing travel burden

Beaches & Harbors

- Less frequent beach cleaning and shorter restroom hours due to staff cuts

Animal Care & Control

- Slower animal adoptions due to loss of care center staff
- Slower response to resident complaints due to fewer enforcement positions

Economic Opportunity

- Cuts about 100 youth jobs for vulnerable populations (e.g., foster, homeless, LGBTQ)

Public Health

- Cuts staffing for disease control and prevention

FEDERAL CUTS

Including the Big Bill

Strategies to Reduce
Costs and Maintain
Balanced Budget:

- Hiring Freeze
- Furloughs
- Layoffs
- Merging Departments
- Facility Closures





Thank you.

Questions?